



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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CALSTRS VOTES TO DIVEST HOLDINGS IN COMPANIES TIED TO SUDAN GENOCIDE

Successful Motion by State Treasurer Phil Angelides at Nation's 2nd Largest Pension Fund Marks the Most Significant Sudan Divestment Action To Date

Sacramento, CA – The California State Teachers' Retirement System (CalSTRS) board today overwhelmingly supported State Treasurer Phil Angelides' motion to divest the fund's holdings in companies with business ties to the government of Sudan. Sudan's brutal Khartoum regime has engaged in a campaign of genocide in the country's Darfur region in a conflict that has claimed over 200,000 lives and displaced over two million people.

The action came after students from ten college campuses across California joined State Treasurer Phil Angelides, Assemblymember Paul Koretz (D-West Hollywood) and religious leaders at a rally outside CalSTRS headquarters and testified at a meeting of the CalSTRS Investment Committee. The group called on the \$141 billion pension fund to divest its assets in companies with reported business ties to the Sudanese government.

"Today's action by CalSTRS – the nation's second largest pension fund with over \$141 billion in assets – marks the most significant divestment action to date to address the growing crisis in Darfur," said State Treasurer Phil Angelides, a CalSTRS board member. "The groundswell of support for divestment demonstrated here today truly served as a wake-up call that American investment funds should not support a regime that has perpetrated systematic attacks against its own citizens.

"I applaud the student leaders who had the courage to stand up and fight for what is right on their college campuses, and after their successful divestment campaign, to bring their message to Sacramento," Angelides added.

The Board today supported Treasurer Angelides' divestment motion on a 9-0 vote with one abstention. The approved motion states that it is the intention of the CalSTRS board to move forward to divest the fund's holdings in companies with business ties to the Sudanese government. As a result of today's vote, the CalSTRS staff will develop a divestment plan modeled after the divestment plan adopted by the University of California regents in March.

Today's vote marks a significant shift for the CalSTRS board, which just two months ago voted 7-1 against Treasurer Angelides' proposal to divest the fund's holdings in PetroChina, a company with reported longstanding ties to the Sudanese government.

Treasurer Angelides has long been a leader in the effort to ensure that California's pension fund investments do not contribute to the humanitarian crisis in Darfur. In late 1999, at Treasurer Angelides' urging, the California Public Employees' Retirement System (CalPERS) sold its stock in Talisman Energy, a Canadian company with Sudanese operations, and in 2000, CalPERS, also at Treasurer Angelides' urging, was one of several major institutional investors that refused to participate in PetroChina's initial public offering.

The following is Treasurer Angelides' divestment motion, which was approved today by the CalSTRS board:

Motion Re: CalSTRS Divestment from Companies doing business with the Government of Sudan

It is the intent of the Board to move forward to divest its holdings from companies identified as doing business with the Government of Sudan, taking into consideration the same general criteria utilized by the UC Regents and subject to the investment staff determining that such action would be prudent and consistent with the System's fiduciary duties and that suitable alternative investments would be available. Staff is directed to bring back at the June meeting any appropriate analysis, legal opinions, and procedural requirements as required. Such action would be subject to the indemnification of the Board members, consistent with the indemnification of the UC Regents.